



Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, JANUARY 23, 1998

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**ASARCO AGREES TO ESTIMATED \$56.3 MILLION SETTLEMENT
TO RESOLVE ALLEGED ENVIRONMENTAL VIOLATIONS
AT FACILITIES IN ARIZONA AND MONTANA**

**Company Must Implement Court-Enforced Nationwide Environmental
Management System at its Facilities in Seven States**

WASHINGTON, D.C. -- New York-based mining company ASARCO today agreed to spend more than \$50 million to clean up contamination and correct alleged violations of federal environmental laws at two of its facilities in Montana and Arizona, and pay \$6.38 million in penalties. The agreements will reduce the disposal of toxic heavy metals such as mercury, lead, and arsenic, a known human carcinogen.

Under two settlements making up today's agreement, ASARCO will establish a court-enforced environmental management system that applies to all of its facilities nationwide. ASARCO currently operates 38 facilities located in Arizona, Colorado, Missouri, Montana, Tennessee, Texas and Virginia.

The two settlements were lodged today by the Justice Department in U.S. District Courts in Arizona and Montana on behalf of the Environmental Protection Agency.

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"These settlements will clean up contamination and help protect the environment at these two facilities in Arizona and Montana and will contribute to a cleaner and safer environment at all of ASARCO's facilities across our nation," said Lois Schiffer, Assistant Attorney General in charge of the Justice Department's Environment and Natural Resources Division. "I am pleased that ASARCO stepped up to the plate to assume responsibility for its actions and will be implementing the nation's largest court-enforced environmental management system."

"This is an innovative and comprehensive settlement that is designed to produce a fundamentally new way for ASARCO to carry out its environmental responsibilities in the future," said Steve Herman, EPA's Assistant Administrator for Enforcement and Compliance Assurance.

"The Arizona Attorney General's Office and the Arizona Department of Environmental Quality will continue to hold Arizona businesses accountable for violations of State environmental laws and will vigilantly protect Arizona's surface and groundwater resources," said Grant Woods, Arizona's Attorney General. "That said, ASARCO has come forward to significantly remedy surface and groundwater pollution at this important mining site."

The settlements require ASARCO to improve its environmental compliance record by implementing an internal environmental management system to identify and correct violations of environmental laws. The system will be applied at all of

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ASARCO's operating facilities nationwide. Under the system, ASARCO must provide EPA with annual reports about hazardous waste spills, permit exceedences, pollution discharges, recycling programs, and water and energy use. ASARCO also will train more than 6,000 employees in environmental compliance.

In the Montana case, the United States alleged that ASARCO's East Helena facility illegally discharged industrial wastewater into a process pond where it leached into a nearby creek, and illegally stored, treated and disposed of toxic heavy metals, possibly contaminating soil and groundwater.

To resolve the allegations in that case, ASARCO will pay \$3.38 million in penalties and conduct an investigation to determine if soil or groundwater has been contaminated at the East Helena facility and perform any required cleanup. The company also will be required to limit the types of materials it can use in its smelting processes nationwide, control mine wastewater discharges, and restore a wetlands near the smelter. The wetlands project will restore diverse, native riparian and upland vegetation along the shoreline of what was once a contaminated wastewater process pond.

In the Arizona case, the United States and the State of Arizona alleged that ASARCO illegally discharged toxic metals at its Ray Mine Complex near Kelvin, failed to properly contain wastewater run off, and violated state surface water quality standards.

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To resolve those allegations, ASARCO will pay a \$3 million penalty with half going to the State, and will build a system to control wastewater discharges from its 6,100 acre open pit copper mine and ore processing facility that will protect the water quality of nearby Mineral Creek and the Gila River.

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